

# **FISCAL NOTE**

## **HB 2589 - SB 2909**

March 13, 1998

**SUMMARY OF BILL:** Requires health insurance plans, including managed care organizations, to provide continuing coverage for 180 days when a provider is terminated without cause and is providing care to an enrollee with a life threatening or disabling and degenerative condition. The bill also provides for continuing coverage when an enrollee is in the third trimester of pregnancy and a provider is terminated. The bill also requires continued coverage as long as an enrollee is being treated at an in-patient facility. Health plans are also required to continue coverage for a drug removed from the formulary until appeals are exhausted or an acceptable substitute is found. TennCare is specifically excluded from all provisions.

### **ESTIMATED FISCAL IMPACT:**

#### **Other Fiscal Impact - Forgo Savings/Not Significant - Health Insurance Industry -**

Estimate assumes that since providers must continue to be bound by the terms of the contract for such continued care and that continued coverage is for a short time period any impact will not be significant. Assumes continuing to pay for drugs after removal from a health care plan's approved formulary will have some impact however such impact is not estimated to be significant.

TennCare is excluded from the provisions of the bill.

The bill would not directly impact the state employee health care plan or most local government health care plans because federal law (ERISA) exempts self-insured plans.

### **CERTIFICATION:**

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.



James A. Davenport, Executive Director

